

RECORD OF PROCEEDINGS

**MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE
HIGH PERFORMANCE TRANSPORTATION ENTERPRISE (HPTE)**

Held: Wednesday, January 20, 2016; 12:00pm
4201 E. Arkansas Ave, Denver, CO 80222

The regular meeting of the Board of Directors of the HPTE was convened in accordance with applicable statutes of the State of Colorado, with the following Directors present:

Attendance:	Kathy Gilliland, Chair	Gary Reiff	Thad Noll
	Don Marostica, Vice Chair	Trey Rogers	Shannon Gifford
	Jan Martin		

Chair Gilliland called the meeting to order @12:00pm: Roll call was taken to establish a quorum, and all were present.

Director's Report: HPTE Director David Spector said the focus of the lunch discussion will be on the business evolution of the HPTE. He noted the presence of Governor appointee Jan Martin who will take the Oath of Office. He also suggested that the Board begin meetings at 11:30 henceforth, to allow more time for Board discussion and action prior to the 2:00 start time for the Transportation Commission meetings. The Board agreed, and the revised adopted Master Calendar will be posted with the new start time.

HPTE Director Spector said that 2015 was a good year for HPTE, with the pace and number of projects increasing. The organization is moving through a "proof of concept" stage into expansion, maturity and project delivery. He cited current activity on two direct loan financings, tolling operations and a change in HPTE's funding model from borrowing from the Transportation Commission to a fee for service structure as examples. The focus in the next six months will be on refining the HPTE vision and mission, and aligning operations and resources to be most effective. He noted the need for debt service and excess revenue policies in particular. He said the work of HPTE is continuing beyond the financing and construction of projects, and into operations. A strategic planning session for the Board is tentatively scheduled for April to address these and other business planning matters.

The HPTE 2015 Annual Report to the Legislature was briefly presented. The document will be posted with minor edits.

HPTE Director Spector said the 1:00 meeting focus will be on the I-25 North Segment 3 Loan Agreement and Intra-Agency Agreement. The closing date for the loan will be set after construction bids are received in mid-February from contractors, so that the amount of the loan can be scaled and interest rate set accordingly. He noted that the loan will be similar to the construction loan for the Mountain Express Lane, but with more flexibility to allow a possible P3 solution for the corridor. Board Director Reiff asked to see alternative loan term and rate options for comparison. OPMD Director Brett Johnson said he will work with the financial advisors to make this information, including a sensitivity analysis, available to the Board. Vice Chair Marostica also thought comparable options are important to see, and wondered if the loan will have a long enough term for HPTE to start receiving revenues to repay the loan. Board Director Reiff asked about long-term risks to the Transportation Commission if toll revenues are insufficient to repay the loan. Assistant Attorney General Brent Butzin noted that if the Commission determines not to allocate funds under the backup loan agreement, the lender may renegotiate the deal.

Meeting Break
(12:55):

Chair Gilliland reconvened the meeting at 1:00: The Board reconvened and roll was called to re-establish a quorum. All Board Directors were present.

Swearing In of Board Appointee: Chair Kathy Gilliland announced that Governor Hickenlooper made a new appointee to the Board, and introduced Jan Martin who will fill the vacant seat from the Colorado Springs area, which term expires on October 1, 2017. Ms. Martin recited the Oath of Office, and was welcomed by all present.

Consent Agenda: Resolution #189
Approving November 18, 2015 Minutes
Resolution #190
Approving 2016 Master Calendar
Upon a motion by Board Director Rogers and second by Vice Chair Marostica, the Consent Agenda was approved by all present.

Public Comment: There was no public comment.

Director's Report: HPTe Director David Spector extended a warm welcome to new Board Director Jan Martin, representing the Pikes Peak region. Since there was no Board meeting in December, he briefly reviewed activity over the previous several weeks, noting in particular a good meeting with the Legislative Audit Committee on December 7, and the completion of the 2015 Annual Report. He stated for the record that beginning in February, the HPTe Board meetings will start at 11:30 instead of Noon.

OPMD Report: OPMD Director Brett Johnson briefly described a productive meeting staff attended in Washington DC with TIFIA to discuss the C-470 Express Lanes Project and the Level 3 Traffic & Revenue Study, which TIFIA had commented was the best they've reviewed. He said March 30th is the anticipated date to award the design-build contract. He noted the I-70 East Project (also referred to as Central 70) is moving along, with the FEIS released to the public and ROD coming later this summer.

Communications Report: HPTe Communications Manager Megan Castle gave brief updates on the various Express Lanes corridors. In January the McCaslin "diverging diamond interchange" was opened, as were the Bus Rapid Transit stations along the US 36 Phase 2 Project. Permanent pavement is open and tolling commencement will occur later this spring. The Mountain Express Lane has handled record levels of traffic when open during peak congestion times, thus allowing the general purpose lanes to flow better. I-25 North Segment 2 will open later this spring, with public outreach events being scheduled in the next two months. She noted that overall the media coverage of the Express Lanes has been accurate and positive. Chair Gilliland complimented staff on all the outreach and positive media. Board Director Noll said the printed informational postcards for the Mountain Express Lane are helpful.

I-70 Mountain Express Lanes Interim Operations Report: OPMD Operations Manager Joe Mahoney gave an update on the first eleven days of operation for the Mountain Express Lane. He said the system has been operating very well since opening, and noted that it serves an important role in helping clear incidents that occur in the general purpose lanes. He will be working with local stakeholders and FHWA to inform them of this and to see if the limited days of operation specified in the MOU might be expanded to accommodate this function. The operations team is still evaluating the toll pricing format, given that the toll rate rarely exceeds \$3 even in peak times. He said more data is needed to fully analyze the dynamics of congestion and pricing structure. An opening rate of \$5 or \$6 might be a more optimal range. An effort is also ongoing to coordinate the Mountain Express Lane operations with metering at the Eisenhower Tunnel. More information on that will be forthcoming in the next weeks.

OPMD Operations Manager Joe Mahoney describes the I-25 North Segment 2 (US 36 to 120th Ave.) as a traditional commuter corridor, featuring fixed time of date toll rates. Sensitivity tests suggest setting toll

I-25 North Segment
2 Proposed Toll Rate
Range:

rates sufficient to cover toll collection costs but low enough to attract customers into the lane. He said the recommended off-peak rate is \$1 and peak rate \$3. The License Plate Toll rate will be scaled to recover costs, and based on the transponder (ExpressToll) rates. He said the packet information is for review only now, and final Board approval of the toll schedule will be in March following public outreach meetings.

Resolution #191
Authorizing Loan
Agreement and IAA
for I-25 North
Segment 3:

OMPD Director Brett Johnson introduced Resolution #191, which authorizes the execution and delivery of a Loan Agreement with Bank of America, as well as the Intra-agency Agreement between HPTE and CDOT, for the financing, construction, operations and maintenance of I-25 North Segment 3 (120th Ave. to E-470). He noted the final loan amount will be capped once construction bids are received. HPTE Director Spector added that the Loan Agreement is a parameters resolution allowing for a final loan amount up to \$35 million at an interest rate not to exceed 3%. Upon a motion by Board Director Reiff and second by Board Director Rogers, Resolution #191 was approved by all present.

Executive Session:

Chair Gilliland moved that the Board enter into Executive Session pursuant to C.R.S Section 24-6-402(3)(a)(II) for the purpose of receiving legal advice pertaining to the US 36 Phase 2 Project. The motion was seconded by Board Director Noll, and following an affirmative vote by all the Board Directors present, constituting at least two-thirds of the entire membership of the Board, entered into Executive Session at 2:00 p.m. The members of the public were excused.

The Board exited Executive Session at 2:15, and invited members of the public to return.

There being no further business to come before the Board, the meeting was adjourned.

Other Business: